

PRIME MINISTER

MEETING WITH DR SOARES

He is coming tomorrow for talks at 1845, immediately before your dinner for him.

He is bringing quite a large delegation: Senhora Ferreira, Minister of State for External Trade; Dr Marta, President of the Commission for European Integration; the Portuguese Ambassador and two officials.

You will be supported by Geoffrey Howe, Paul Channon, David Williamson ~~and~~ Derek Thomas & HM Ambassador, Lisbon .

In view of the numbers I suggest the Cabinet Room.

Other points in his programme are visits to the Tate, to Lloyds, and to Kings College, London; an audience with The Queen; PM's Questions on Thursday; and Covent Garden.

I attach briefs and a card, together with your after dinner toast notes.

cdp

20 November 1984

PRIME MINISTER'S MEETING WITH PORTUGUESE PRIME MINISTER: 21 NOVEMBER

STEERING BRIEF

Introduction

1. Dr Soares' visit is in response to the Prime Minister's invitation made in Portugal in April.

2. A record of the Prime Minister's last meeting with Dr Soares is at Annex A. Since then high level contacts have been maintained by meetings between Sir Geoffrey Howe and Dr Gama, Portuguese Foreign Minister, in New York in September and in London on 8 November. The Queen and The Duke of Edinburgh are visiting Portugal from 25-29 March.

3. British Objectives

- (a) to return Dr Soares' hospitality and ensure him of our continued interest in Anglo/Portuguese friendship;
- (b) to reaffirm our support for Portuguese accession to the EC;
- (c) to improve trade.

4. Portuguese Objectives are likely to include:

- (a) to gain favourable publicity promoting Dr Soares' probable candidature for the Presidential elections;
- (b) to enlist British support to avoid no delay in accession to the EC.

Background

5. Accession to the EC and next year's presidential elections dominate the political scene in Portugal. Growing disenchantment over/

over the slow pace of the accession negotiations was largely relieved by the signature in Dublin of the 24 October agreement confirming 1 January 1986 as Portugal's accession date. But difficulties remain over fisheries, sugar, wine and tomato products. Linkage of Portugal's accession with that of Spain is, as ever, a sensitive area.

6. Presidential elections are due in October 1985. President Eanes is barred by the Constitution from standing again but he is still the most influential and respected figure in Portugal and his influence is likely to affect the campaign. Soares is almost certain to run. But, although with Eanes he is a major figure within and outside Portugal and his leadership of the Socialist Party is unchallenged, he risks being squeezed between a pro-Eanes candidate on the right and a candidate to the left of his own moderate position. The election is on French lines with the two most successful candidates contesting a second round. Accordingly he will use every opportunity to promote himself. He claims credit for the signing of the Dublin agreement on enlargement. He wants his visit to London as widely publicised in Portugal as possible.

7. On the economy, the economic austerity measures introduced last year have been maintained. These, and IMF help, have led to substantial improvements, particularly in external trade. The current account deficit was halved in 1983 and will be close to the \$1.25 billion target in 1984. Confidence has been re-established in international capital markets. Imports are down 8-10% in 1984 compared to last year, and exports are up 16-18%. But despite a large decline in real wages, inflation remains high at around 30% and recorded unemployment has risen to 10½%. The 1985 budget is soon to be unveiled, when the size of the budget deficit is likely to cause the Government some embarrassment. Soares may be tempted to reflate early for electoral reasons.

Tactics/

Tactics and the course of the meeting

8. There will be no fixed agenda for the talks. But enlargement (separate brief attached) is likely to be uppermost in Soares' mind. He will expect to have our support but will leave detailed discussions to those accompanying him. The Prime Minister could congratulate Dr Soares on signature of the Constat d'Accord and reassure him we are doing our utmost to complete the accession negotiations; but any attempt by Portugal to reopen post accession textile arrangements would lead to delays.

9. The Portuguese will expect their feelings for Anglo/Portuguese friendship to be warmly reciprocated. Soares could be asked about developments in Portugal and would undoubtedly welcome a general discussion about current international issues. He is likely to refer to events in Southern Africa where Portugal's experience and expertise have been useful to us, and to the future of Macao. We should mention bilateral trade especially Portugal's nuclear programme, Barclays Bank application to operate and ICL's bid to supply a computer system. On defence matters we remain committed to giving limited assistance to the frigate programme if it materialises. While we favour Spain's full integration into NATO, we are conscious of Portuguese misgivings on this score.

10. There are no serious bilateral problems but it is important to mention three outstanding cases of compensation for properties seized after the 1974 revolution.

11. The Prime Minister might thank Dr Soares for Portugal's continued abstention on the Falklands vote at the United Nations.

12. Detailed briefing is attached.



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VISIT BY PORTUGUESE PRIME MINISTER, 20-23 NOVEMBER

PORTUGUESE ACCESSION

POINTS TO MAKE

1. Congratulations on Constat d'accord. Statement should give necessary impetus to negotiations with Community and must greatly reassure Portuguese.

2. Community working hard to conclude by turn of year to meet 1 January 1986 accession deadline

- Two Foreign Affairs Councils a month since September and third November Ministerial on 20 November to prepare for major negotiating Conference with Portugal (and Spain) on 26/28 November.

- Tight timetable which needs real effort on all sides.

3. Recognise importance for Portugal of improved access for processed sardines, tomato concentrate and port.

- Will continue to argue the Portuguese case.

- But products very sensitive for some member states.

[Italians]

4. UK has also fought hard battle to secure raw cane sugar quota from ACP for Portuguese.

- EC offer (reduced levy quota of 70,000 tonnes) may

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fall short of Portuguese expectations (300,000 tonnes).

- Best we could secure.
 - Negotiations not yet concluded.
 - Portuguese should insist on better deal.
-

Textiles (if necessary)

5. - Agreement on 1984 VRA levels generous to Portugal and very difficult for UK.

- Portuguese agreement to restrain two categories outside VRA was important for us.

- vital that Portugal now sticks rigidly to terms agreed - UK's past experience unfortunate.

6. (If Soares hints that Portugal may reopen textiles chapter in accession negotiations).

- Closed 1½ years ago, with great difficulty.

- Outcome much criticised by UK and no doubt by Portuguese textile industry.

- Reopening discussions on so sensitive a dossier could only lead to major delays in accession negotiations.

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PRIME MINISTER'S MEETING WITH PORTUGUESE PRIME MINISTER: 21 NOVEMBER

POINTS TO MAKE

Southern Africa: Mozambique

1. Important that Nkomati Accord (signed March) should succeed. Progress disappointingly slow. Renamo activities have intensified. Seems that private supplies of arms still reaching them.

[Prime Minister
You will recall that
Machel raised with you
the support which Renamo
receive from some 'circles' in
Portugal.]

2. Right that South Africa should be ready to take the lead in search for settlement. Western countries should support these efforts. Machel stressed this to me in New Delhi on 3 November. Sir G Howe valued his discussion with Dr Gama on 8 November: Portuguese experience and contacts useful. Hope you can favourably influence white Renamo leaders.

Angola (if raised)UNITA

3. UNITA military successes increasing; closer to Luanda itself. Soviet Union still seems prepared to help keep MPLA in power. Neither side yet capable of outright victory.

Implications for Namibia settlement

4. UNITA threat a major inhibition on Angolan agreement to early Cuban troop withdrawal at least from North Angola.

MPLA/UNITA reconciliation

5. Savimbi anxious to fight his way into a government of national unity before Namibian independence. But Dos Santos still seems unwilling to negotiate at this stage, and possibly not until after South African withdrawal from Namibia.

Hong Kong/Macao/

Hong Kong/Macao

6. Draft agreement on future of Hong Kong initialled on 26 September. People of Hong Kong have been expressing their views to Assessment Office. Reports of Assessment Office and independent Monitoring Team will be published at end of November. Parliament will debate agreement in light of these reports at beginning of December. If Parliament approves I will sign agreement in Peking before end of year.

7. A good agreement. Provides satisfactory guarantees for the future of the territory. Believe it will ensure Hong Kong's continued stability, prosperity and way of life. Reaction in Hong Kong and internationally to agreement encouraging.

8. Appreciate that you see Macao's circumstances as being quite different from those of Hong Kong. Do you expect Chinese to seek to resolve question of Macao in the near future?

Bilateral Trade

6. Climate for increasing trade will improve further with Portuguese accession to EC. UK can help Portugal face increased competition especially over energy conservation, nuclear power, agriculture and food processing, pollution control, micro-computers, electronics. Our investments have grown. Hope that last minute difficulties being experienced by Wiggins Teape and RTZ can be resolved. These together represent investment of £100 million.

Nuclear Power

7. What are your plans over nuclear programme? Keen to cooperate in development. UK has great experience of different reactor systems and working with foreign reactor suppliers.

Barclays Bank

8. Disappointed that Barclays Bank International not chosen in



first round of banking licence awards in August. Hope that they will be chosen in next round end 1984 or early next year.

ICL

9. Bidding to supply computer system for introduction of VAT. This system well proved in use.

Defence

Frigates (If raised)

10. Our £5 million contribution to frigates programme (linked to British equipment) exceptional measure. If German frigate design chosen, offer still stands.

Spain/Gibraltar/NATO (If raised)

11. Favour full integration of Spain into military structure of NATO. Note your concerns especially about IBERLANT. Command boundary changes would be for discussion by Alliance as a whole. Sure your concerns can be met. Could not contemplate subordination of Gibraltar to Spanish NATO Commander unless restrictions lifted.

Cooperation

12. Grateful for use of Portuguese training facilities. Pleased we can have Portuguese officers on training courses in UK.

Compensation

13. Three cases remain of properties expropriated as a result of the 1974 revolution not having been returned to their British owners. Grateful for progress already made. Hope that remaining questions can be quickly resolved.

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ESSENTIAL FACTS

General

1. Dr Soares' grasp of Portuguese Accession is political and very broad brush. He invested considerable personal capital in securing Constat d'accord or Joint Statement which he signed with Taoiseach and Commission in Dublin on 24 October. (Copy attached). Confirmed the 1 January 1986 accession date for Spain as well as explicitly for Portugal; no juridical and little practical value.

Progress in negotiations

2. Because Community is now tackling most difficult dossiers, pace of work intense but progress very slow. After three failures to agree, Foreign Affairs Council on 23 October finally unblocked a mini-package including for Portugal olive oil, social affairs and ACP sugar (where we fought a hard battle on Portugal's behalf - our interest lies in ensuring a sufficient supply of raw cane sugar for Portuguese refiners so that no supplies are diverted to meet Portugal's needs from British refiners).

- Last special FAC on enlargement on 12/13 November made no progress; Ministers meet again on 20 November to continue preparations on (for Portugal) Fisheries

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and Agriculture for next week's negotiating Conference.

Fisheries

3. The main fishing nations (UK, FRG, Denmark, France and Ireland) insist on tough terms on access to waters and resources; the Portuguese will not object as they share our interest in controlling the Spanish fleet.

- However, the Portuguese are acutely sensitive about being used as a stalking horse for Spain and criticise continued Community inability to finalise fisheries with them until the position with Spain is clearer.

- Despite UK efforts, Italy and France refuse improvements in access for Portuguese canned sardines; we are unlikely to persist if concessions to Italy will help our interests on access.

Agriculture

4. Progress slow because of late Portuguese requests. Italians blocking concessions on port wine and tomato paste which we support.

- Portugal also wants balance of payments compensation in the context of agricultural transition. Portugal is a large cereal importers (from the US); EC imports will be expensive while EC levies will be

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imposed on US imports. Even with Portuguese retention of EC levies and duties on many agricultural imports in first stage of transition, there could still be substantial net additional cost to Portugal.

- We argue that financial implications of agricultural transition for Portugal should be considered together in the context of own resources chapter when all data is available and it is possible to assess her overall financial situation and likely budget contribution.

Textiles

5. 1983 Portuguese exports to EC were 132,200 tonnes. UK share 57,200 tonnes (43%). Portuguese exports to UK of categories 12 and 13 (socks and knickers) not covered by the Voluntary Restraint Arrangement:

<u>January-September 1983</u>	<u>January-September 1984</u>
Category 12	
9.2 million pairs	11.3 million pairs = 22% increase
Category 13	
8.1 million pairs	15.2 million pairs = 86% increase

6. In response to Portuguese demands for 1984 access levels exceeding those set down in Voluntary Restraint Arrangement, Commission reached compromise agreement

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which all Member States accepted. UK only reluctantly agreed - given recent alarming increase in Portuguese exports to UK of categories 12 and 13 on which UK manufacturers pressing for safeguard action - in return for Portuguese agreement to acceptable arrangements for remainder of 1984 on both categories and to consultations early next year on 1985 levels for same.

7. Portuguese also have been hinting that they would like to reopen textiles chapter of accession negotiations agreed after long and hard negotiations in May 1982. Agreement then on,

- a 3/4 years transition (fourth year at request of a member state),
- textiles limited to set growth rates in certain categories,
- statistical surveillance.

We would not be prepared to make any concessions (as the Prime minister told Dr Soares during her visit to Portugal). If Soares mentions this, he should be sat on firmly.

ECD(E)

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JOINT STATEMENT

On 28 March 1977 the Portuguese Government submitted a formal request that Portugal be admitted to full membership of the European Communities.

On 6 June 1978 the Council of Ministers of the European Economic Community gave a unanimously favourable reply to the Portuguese request. That decision implemented the call by the founding members, in the preamble to the Treaty establishing the European Economic Community, for other European nations which shared their ideal to join them in the common effort to defend peace and freedom.

Both sides recognized that enlargement would reinforce the political unity of Europe, increase its influence in the world and bring about the economic and social development which Portugal so rightly desires.

2. The negotiations in preparation for Portugal's accession to the Communities began on 17 October 1978. Being aware of the level of economic and social development in Portugal and of the need to safeguard the Community's capacity for internal and external development, the negotiators had and will have to seek the most appropriate solutions to all the problems arising in the context of the balanced and harmonious integration of Portugal into the Community.
3. Both the Community and Portugal are now in a position to state that there is agreement on a large number of chapters in the negotiations. As regards certain major chapters still under discussion the two parties are determined to reach mutually satisfactory negotiated conclusions in the very near future.

This situation and the political will expressed by both sides for enlargement on the Community's makes it possible to confirm the irreversibility of the process of Portuguese integration in the European Communities.

Without prejudice to the powers of the national parliaments the firm objective is that the future enlargement of the Community should become reality on 1 January 1986, a date whose political and economic significance has been fully recognized.

ESSENTIAL FACTS

Southern Africa - Mozambique

Political

1. Machel probably expected to take about 2 years to master Renamo. But marked increase in Renamo operations since Nkomati disappointing. Arms probably still reaching them from private sources eg in Portugal and South Africa but Governments not involved. South Africa arranged tripartite proximity negotiations (South Africa, Mozambique, Renamo) leading to the Pretoria Declaration of 3 October, which provides a framework for a ceasefire.

2. Machel has offered amnesty and re-integration of Renamo members in Mozambican society; Renamo are demanding half the Cabinet posts and the "democratization" of Mozambique. After last talks Renamo announced that they were breaking off discussions and would launch a major new offensive.

Portugal/Renamo

3. South Africans and Mozamicans claim that Deputy Prime Minister Mota Pinto interalia has been exercising an unhelpful influence on Renamo. Portuguese subsequently denied involvement with Renamo and reaffirmed support for Nkomati.

4. Sr Gama told HMA Lisbon on 6 November that the problem must be solved by Frelimo, Renamo and South Africa. Sr Gama told Secretary of State on 8 November they would look at the legal aspects but it was difficult to take steps against Portuguese Renamo members who did not break the law.

5. Machel raised Portuguese influence on Renamo with the Prime Minister on 3 November in New Delhi. He claimed that the rebels were being sustained from Portugal, not by Portuguese Government, but by former colonists. He hoped Prime Minister would help to deter such support.

Dr Soares' /

Dr Soares' visit to Mozambique, September 1984

6. Dr Soares (accompanied by Gama) visited Mozambique 31 August-4 September 1984. The public tone of the visit was cool, although the question of Portugal's influence on Renamo was played down.

Angola

Internal

7. Dos Santos seems well in control. Hand strengthened by dismissal in October of Paulo Jorge, Foreign Minister since 1976. Likely reason is his opposition to Dos Santos' acceptance of linkage between Cuban troop withdrawal and Namibia settlement.

UNITA

8. UNITA goal to force talks on national reconciliation. Have steadily increased military activities to include attacks around Luanda itself.

MPLA/UNITA reconciliation

9. Angolan Government have so far set their face firmly against negotiations with UNITA. Dos Santos will first wish to see UNITA's military strength lessened and the present large flow of South African arms curtailed.

Hong Kong/Macao

10. Prime Minister is aware of the background to the Hong Kong agreement.

11. Portuguese have always emphasised that the circumstances of Macau are very different from those of Hong Kong. Macau is not held by treaty or lease. Portuguese Constitution only claims that administration belongs to Portugal, leaving the fact that sovereignty lies with China unsaid.

12. Chinese President and Foreign Minister have recently paid a visit to Portugal. We understand that Chinese made it clear before visit that the question of Macau would not be raised. Chinese have told us that the question of Macau will be resolved along the same lines as Hong Kong, but appear to be in no hurry to raise the subject with the Portuguese.

Trade

13. Bilateral trade balance turned round in Portugal's favour in 1983 (UK exports £397m, imports £476m). Figures available for 1984 show this trend continuing. Main reasons for this are probably the poor state of the Portuguese economy and low priority given to market by many UK manufacturers.

14. But prospects look better; investments have grown. Austin Rover has increased shareholding in Leyland Portugal from 20% to 95%; Tate and Lyle have taken control of Sidul, a sugar refinery. Rio Tinto Zinc have in principle negotiated purchase of 49% of Somincar copper mine; Wiggins Teape are buying 45% of Soporcel, a major woodpulp plant. But there are some delays in completing the latter two cases.

15. Accession will result in increased funding becoming available from the Community. Trade promotion is being stepped up. This will include the use of HM yacht "Britannia" during the Royal Visit as venue for presentation of British Technology to key businessmen and ministers.

Nuclear Power

16. Portuguese ministers expected to approve shortly a national energy plan which recommends the adoption of nuclear power. First station order might be placed in 1987/88. They are believed to favour a PWR reactor but no formal decision on type will be made for some time.

17. UK's theme to officials has been our great experience in working with many reactor types. NEI Parsons and Wimpey are involved in preparing an Anglo Canadian proposal to offer a CANDU type reactor.

Barclays Bank

18. Following passing in February of new legislation to modernise the banking system, Barclays Bank International were among eight foreign banks who applied for a banking licence. Two (both American) were granted licences in August.

19. There is much competition for the next round of licences. Barclays have had a Representative Office in Lisbon since 1980, and are very keen to expand in Portugal. They have a world-wide network to offer Portuguese clients. They have asked for the Prime Ministers personal intervention with Dr Soares.

ICL

20. The company's system is more powerful and adaptable than competitor's. Uses a later generation of computer and software, proved by Customs and Excise.

DEFENCE

Frigates

21. NATO aid project to supply three modern frigates under discussion since 1979. Portuguese navy now looking at German MEKO project and are anxious to retain support of countries who have offered assistance. Our offer still stands. Other NATO allies, including USA, France, FRG and Canada, have also offered to contribute.

Spain/Gibraltar/NATO

22. Portuguese worried about effects of possible Spanish military integration into NATO on their Atlantic commands. They would not accept Portuguese forces under Spanish command in this area.

23. We are sympathetic to Portugal. Problem requires multilateral discussion in NATO if Spain shows signs of wanting to join integrated military structure.

Cooperation

24. RN ships regularly visit Portugal, and RAF frequently transits airspace and uses airfield facilities. Portuguese cooperation over this was valuable during the Falklands campaign. Small army contingents use infantry facilities at Santa Margarida.

25. Defence Policy Fund subsidises training of students in UK.

Compensation/

Compensation

26. After ten years of unkept promises the Portuguese have in the last year (perhaps stimulated by the prospects of the Prime Minister's visit last April) settled five claims from British owners for compensation arising from the expropriation of property after the 1974 revolution. Three claims remain. Herdade de Aravia has still not been returned to its owners although the law revoking its expropriation was published in July 1983. Herdade de Torre de Sepulveda and Monte da Contenda await action by two separate interministerial commissions set up to investigate these and other claims. Ambassador believes it would undermine consistent effort on claimants behalf if the Prime Minister did not raise with Dr Soares.

RECORD OF A MEETING HELD AT THE SAO BENTO RESIDENCE AT 3.30 PM
ON TUESDAY 17 APRIL 1984

Present:

Prime Minister	Dr. Mario Soares
HM Ambassador	Prof. Mota Pinto
Sir Crispin Tickell	Dr. Jaime Gama
Mr. A.J. Coles	Dr. Antonio Marta
Mr. T.J. Flesher	Ambassador Hall Themido
Mr. B. Ingham	Dr. Bernardino Gomes
Mr. A.D. Brighty	Dr. Silva Marques
	Dr. Matos Proença
	Dr. Nunes Barata
	Dra. Ana Barata

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Dr. Soares welcomed the Prime Minister. The UK and Portugal were old allies whose friendship was real not mere rhetoric.

He began with bilateral matters. There were few real problems. Portugal hoped for more foreign investment now that they were opening the economy and unscrambling some of the post-revolutionary nationalisations. Portugal would be happy to see another British bank open in Lisbon. He also hoped that it might be possible to increase textile exports to the UK, though he recognised there would be problems. He asked whether there might also be improved access for tomato paste and sardines (and made reference to the fact that Moroccan sardines at present enjoyed greater preference).

The Prime Minister agreed that the friendship was close and steadfast, and that the two countries shared similar views of the world. She accepted Dr. Soares' proposal that the talks should avoid detailed bilateral problems, leaving these to officials and diplomatic channels. But on textiles she warned that improved access would be difficult, since ^{the UK} had already done a great deal.

Dr. Soares gave a historical perspective of Portugal's development over the centuries. The long years of dictatorship this century had let Portugal fall behind the rest of Europe,

/ and

and the country had foolishly tried to hang on to its colonies while others had decolonised. As a result, the leadership in the former colonies had been trained by the Eastern Europeans and were initially hostile to Portugal despite past ties. The speed of decolonisations also led to domestic, economic and political problems in Portugal, particularly absorbing a million refugees from Africa. Now his Government were trying to restructure Portugal within a European framework for the first time in centuries.

Dr. Soares had personally sought to put the seal on this seeking European Community membership in 1976, to reinforce the embryonic democracy. Portugal needed to change its perspective and transform its economy, all in a West European context. But the move towards the EC had gone very slowly. There had been kind words but few concrete steps.

When his present Government came to power last year, he confronted severe economic difficulties and in order to know how to direct the recovery campaign, he needed to know whether it would be within an EC context. Yet the Ten had still not yet given certainty that Portugal would join. He hoped that HMG would endorse the date of 1 January 1986 for membership, with the Accession Treaty being signed by this September.

Portugal had been bracketed with Spain, which was causing problems. He hoped that if Portugal were ready to sign its Treaty by September it might be possible for them to sign ahead of Spain so as to give psychological certainty to Accession. He said that Chancellor Kohl and President Mitterrand had already accepted this.

The Prime Minister welcomed Dr. Soares' analysis. Portugal and the UK were both outward looking peoples by history, but part of the geography and culture of Europe. It was important for democracy and stability in Western Europe that Portugal and Spain should join the EC, and the date would be 1 January 1986. She hoped that signature might be achieved this September, but warned that there might be difficulties in meeting this deadline.

Despite publicised difficulties, much progress had been made in basic reforms. EC Governments had preferred to avoid facing the problems because there was enough money to subsidise agricultural surpluses. The Community had only begun to consider reforms seriously when the money began to run out. The recent agreements on the CAP ^{were only a start in dealing} ~~only started to deal~~ with the problem of surpluses, but that was already something. On finance, she reviewed the background to the present arrangements and the change in 1970 before the enlargement of the original Six. This system now had to be changed on the basis of fairness and equity, and the system Britain now proposed would limit net contributions according to GDP per caput.

HMG's fight was to Portugal's advantage. It would be absurd for Portugal to become a net contributor as the present system would imply. And the new financial basis needed to be permanent.

On fisheries the Prime Minister recognised Portugal's problem and warned that there would need to be a hard fight to restrict access to waters off Madeira and the Azores. On agriculture she noted that long transitions were ^{many categories of} needed for Portuguese produce. HMG would do everything possible to help, whilst at the same time seeking to resolve the internal Community problems.

Looking ahead, the Prime Minister said there were three main objectives. The first was to preserve the Atlantic Alliance. Europe and North America had to stand shoulder to shoulder, and NATO was a necessary means to that end. Second, the ex-colonial powers in Europe - and Portugal and Spain would be among them - could have great influence with countries in the developing world in encouraging them towards a free society. Third, Western Europe could be influential across the East/West divide. She and Dr. Soares shared greater designs for Europe than a simple common market.

Dr. Soares thanked the Prime Minister and said he found this reassuring. He fully agreed that the great alliance was

/ that

that across the Atlantic. He invited Dr. Marta (Chairman of the European Integration Commission) to refer to points of difficulty over the EC Accession negotiations. Dr. Marta explained that the first problem was over the financial programme. Portugal would have problems in absorbing structural funds unless the Community could be flexible and understanding. Second, he noted that there was selfish opposition from within the Ten over access for Portugal's few competitive exports, such as wine, tomato paste and sardines. On fisheries he claimed that Portugal had tabled balanced proposals. Portugal had no ambition to fish in Community waters provided her present waters could be preserved. But the real problem would arise over Spanish fisheries, and the fact that Portugal's negotiations were seen in the context of the Spanish negotiation. On the social chapter, he observed that Portugal could not accept the "Luxembourg clause" whereby Portuguese workers were forbidden to change jobs for ten years.

Dr. Soares proposed the day's session be closed, thanking the Prime Minister for her contributions.

The talks ended at 4.40 p.m.

A. J. C.

18 April 1984

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Foreign and Commonwealth Office

London SW1A 2AH

16 November, 1984

Dear Charles,

Visit of the Portuguese Prime Minister

I enclose ^{*}briefing for the Prime Minister's meeting with Dr Soares at 6.45 pm on 21 November.

Many thanks for agreeing to the increase in the Portuguese presence at the talks. We shall arrange FCO participation as indicated in your letter of 15 November. I imagine you would agree that Her Majesty's Ambassador at Lisbon, Mr Hugh Byatt, who has returned for the visit, should also attend.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

** BRIEFING in FOLDER
AT BACK OF FILE.*

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MEETING WITH DR SOARES

1. Invite him to speak on internal situation in Portugal. Complément on substantial improvement in the economy.
2. Enlargement clearly the major preoccupation. Negotiations made very difficult by southern member states particularly Italy.
3. Do our best to help over products of interest to Portugal - processed sardines, tomato paste and port. Done our best on ACP sugar: but up to Portuguese themselves to push for more.
4. Cannot on any account agree to re-open textile chapter. Any attempt by Portugal to do so would automatically forfeit our general support for her specific interests in the negotiations.
5. Southern Africa: Angola/Mozambique
6. Bilateral Trade: Barclays. ICL.
7. Compensation cases: remaining three should be settled quickly.



HER MAJESTY'S GOVERNMENT IN THE
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND

Visit of
His Excellency
the Prime Minister
of the Republic of Portugal
and Senhora Soares

20 to 23 NOVEMBER 1984

His Excellency Dr. Mário Soares, Prime Minister of the Republic of Portugal,
and Senhora Soares will be accompanied by:

Her Excellency Senhora Raquel Ferreira,
Minister of State for External Trade

His Excellency Dr. Antonio Marta,
President of the Commission for European Integration

Senhor Rogerio Martins,
Member of Parliament for the Social Democratic Party and Member of the
Political Commission of the Social Democratic Party

Professor Freitas do Amaral,
Professor of Faculty of Law (Lisbon)

Senhora Freitas do Amaral

Dr. Rui Vilar,
Deputy Governor of the Bank of Portugal

Senhor João Uva de Matos Proença,
Political Director, Ministry of Foreign Affairs

Senhor João Nunes Barata,
Diplomatic Adviser to the Prime Minister

Senhor Carneiro Jacinto,
Press Adviser to the Prime Minister

In attendance:

Group Captain Anthony O'Neill }
Mrs. Eleanora Paterson } *Government Hospitality*

*The Prime Minister of the Republic of Portugal, Senhora Soares, Senhor Barata
and Senhor Jacinto will stay at the Residence of His Excellency the Ambassador
of the Republic of Portugal, 12 Belgrave Square, S.W.1. The remainder of the
delegation will stay at the Sheraton Park Tower, 101 Knightsbridge, S.W.1*

Programme

TUESDAY, 20 NOVEMBER

1240 hrs Arrive London Heathrow Airport by Flight TP 450 from Lisbon
Hounslow Suite

Met by the Secretary of State for the Home Department,
The Rt. Hon. Leon Brittan, M.P.

1255 Leave the Airport by car
(approx)

1335 Arrive Residence of His Excellency the Ambassador of
(approx) the Republic of Portugal
12 Belgrave Square, S.W.1

1730 Private engagement
Ambassador's Residence

1830 Meeting with Representatives of the Portuguese Community
Ambassador's Residence

2000 Dinner given by His Excellency the Prime Minister of the
for Republic of Portugal and Senhora Soares
2015 *Ambassador's Residence*
Dress: Black Tie

WEDNESDAY, 21 NOVEMBER

(See pages 7 and 8 for programme for Senhora Soares)

- 0945 hrs Leave the Residence
- 1000 Arrive Tate Gallery
Millbank, S.W.1
- Met by the Director,
Mr. Alan Bowness
and the Curator in charge of the Education Department,
Mr. Simon Wilson
- View selection of Modern paintings
- 1045 Leave Tate Gallery
- 1100 Arrive King's College
Strand, W.C.2
- Met by the Principal,
The Lord Cameron of Balhousie
and the Camoes Professor of Portuguese and Head of the
Department of Portuguese and Brazilian Studies,
Professor Helder Macedo
- Discussion and tour of King's College
- 1145 Leave King's College
- 1200 Arrive at the Residence
- 1230 Leave the Residence
- 1235 Arrive Buckingham Palace
Kings' Entrance via North Centre Gate
- 1240 Audience of Her Majesty The Queen
- 1300 Leave Buckingham Palace

Continued on next page

WEDNESDAY, 21 NOVEMBER (Contd.)

- 1345 hrs Arrive The Portman Hotel
Portman Square, W.1
- Met by His Excellency the Ambassador of
the Republic of Portugal
- Luncheon given by the Portuguese Chamber of
Commerce and Industry
Host: The President,
His Excellency the Ambassador of
the Republic of Portugal
- 1500 Leave The Portman Hotel
- 1525 Arrive Bank of England
Bullion Entrance, Lothbury, E.C.2
- 1530 Meeting with the Deputy Governor,
Mr. C. W. McMahan
- 1605 Leave Bank of England
- 1610 Arrive Mansion House
Walbrook Entrance
- Received by the Rt. Hon. the Lord Mayor of London
- 1615 (approx) Meeting with the Chairman, British Invisible Exports Council,
The Lord Limerick
The Deputy Chairman,
Mr. J. Dundas Hamilton
and the Chairman, European Sub-Committee,
The Lord Greenhill of Harrow
South Drawing Room
- 1700 Leave Mansion House
- 1725 Arrive at the Residence
- 1830 Leave the Residence

Continued on next page

WEDNESDAY, 21 NOVEMBER (Contd.)

1845 hrs Arrive 10 Downing Street

Talks with the Prime Minister,
The Rt. Hon. Margaret Thatcher, M.P.

1945 Dinner given by Her Majesty's Government
for Hosts: The Prime Minister
2000 and Mr. Denis Thatcher
Dress: Black Tie

PROGRAMME FOR SENHORA SOARES

WEDNESDAY, 21 NOVEMBER

*Programme for the morning as for
His Excellency the Prime Minister*

1230 hrs Leave the Residence

1235 Arrive Buckingham Palace
Kings' Entrance via North Centre Gate

1240 Audience of Her Majesty The Queen

1300 Leave Buckingham Palace

1305 Arrive 1 Carlton Gardens

1300 Luncheon given by Her Majesty's Government
for Host: Lady Howe
1315

1430 Leave 1 Carlton Gardens

1445 Arrive Hospital for Sick Children
Main Entrance, Great Ormond Street, W.C.1

*Met by the Chairman of the Board of Governors,
Mrs. C. Bond
The Chairman of the Special Trustees,
Mrs. A. Callaghan
The House Governor,
Mr. P. Cooper
and the Chief Nursing Officer,
Miss B. Barchard*

*Tour of the Hospital for Sick Children including a visit to the
Paul Sandifer Day Centre for Physically Handicapped Children*

1615 Leave Hospital for Sick Children

Continued on next page

PROGRAMME FOR SENHORA SOARES

WEDNESDAY, 21 NOVEMBER (Contd.)

- 1630 hrs Arrive National Theatre
Main Entrance, South Bank, S.E.1
- Met by the Associate Producer,
Mr. John Faulkner
and the Theatre Manager,
Miss J. Trelvelick
- Tour of National Theatre
- 1730 Leave National Theatre
- 1750 Arrive at the Residence
- 1940 Leave the Residence
- 1950 Arrive 10 Downing Street
- 1945 Dinner given by Her Majesty's Government
for Hosts: The Prime Minister
2000 and Mr. Denis Thatcher

THURSDAY, 22 NOVEMBER

(See pages 12 and 13 for programme for Senhora Soares)

- 0830 hrs Leave the Residence
- 0855 Arrive H.M. Tower of London
West Gate
- Proceed to the Jewel House
- Met by the Resident Governor and
Keeper of the Jewel House
and Mrs. MacLellan
- Visit the Jewel House
- 0930 Visit The Queen's House
(approx)
- Refreshments with the Resident Governor and
Keeper of the Jewel House
and Mrs. MacLellan
Historic Council Chamber
- 0955 Leave H.M. Tower of London
East Gate
- 1000 Arrive Mansion House
Walbrook Entrance
- Call on the Rt. Hon. the Lord Mayor of London
- 1035 Leave Mansion House
- 1040 Arrive Stock Exchange
Main Entrance, Old Broad Street, E.C.2
- Met by the Deputy Chairman,
Mr. Graham Ross Russell
- Visit Trading Floor
- 1155 Leave Stock Exchange

Continued on next page

THURSDAY, 22 NOVEMBER (Contd.)

- 1200 hrs Arrive Lloyd's of London
Lime Street, E.C.3
- Met by the Chairman,
Mr. Peter Miller
- Visit the Underwriting Room
- 1300 Luncheon given by Lloyd's of London
Host: The Chairman,
Mr. Peter Miller
The Captain's Room
- 1430 Leave Lloyd's of London
- 1455 Arrive House of Commons
Members' Entrance
- Met by the Rt. Hon. James Callaghan, M.P.
- 1515 Attend Prime Minister's Question Time
Distinguished Strangers' Gallery
- 1535 Meeting with the Rt. Hon. James Callaghan, M.P.
(approx)
- 1600 Meeting with the Leader of the Social Democratic Party,
The Rt. Hon. Dr. David Owen, M.P.
Jubilee Room
- 1615 Meeting with the Leader of the Liberal Party,
The Rt. Hon. David Steel, M.P.
Jubilee Room
- 1630 Meeting with the Deputy Leader of the Labour Party,
The Rt. Hon. Roy Hattersley, M.P.
Jubilee Room
- 1650 Leave House of Commons
- 1705 Arrive at the Residence

Continued on next page

THURSDAY, 22 NOVEMBER (Contd.)

- 1700 hrs Reception given by His Excellency the Prime Minister of
to the Republic of Portugal for Diplomatic Press Correspondents
1815
- 1855 Leave the Residence
- 1915 Arrive Royal Opera House
Royal Box Entrance, Floral Street
- 1930 Attend a performance of "Raymonda Act III:
Young Apollo: Elite Syncopations"
Hosts: The Lord President of the Council
and the Viscountess Whitelaw
Dress: Black Tie
- Supper afterwards at 1 Carlton Gardens, S.W.1

PROGRAMME FOR SENHORA SOARES

THURSDAY, 22 NOVEMBER

0830 hrs *Leave the Residence*

0855 *Arrive H.M. Tower of London
West Gate*

Programme as for His Excellency the Prime Minister

0955 *Leave H.M. Tower of London*

1130 *Arrive Blenheim Palace
Main Entrance, Woodstock, Oxfordshire*

*Met by the Chief Administrator,
Mr. P. F. D. Duffie*

Tour of Blenheim Palace

1235 *Leave Blenheim Palace*

1240 *Arrive Bear Hotel and Restaurant
Park Street, Woodstock*

Luncheon

1405 *Leave Bear Hotel and Restaurant*

1430 *Arrive Burford School
Cheltenham Road, Burford, Oxfordshire*

*Met by the Headmaster,
Mr. D. Glover
The Vice-Chairman of the Oxfordshire Education
Committee and Chairman of the Schools Sub-Committee,
Councillor Mrs. M. Randolph
The Senior Education Officer for Secondary Education,
Oxfordshire,
Mr. D. J. Church
and H.M. Inspector of Schools,
Mr. R. B. Chalmers*

Tour of Burford School

Continued on next page

PROGRAMME FOR SENHORA SOARES

THURSDAY, 22 NOVEMBER (Contd.)

1600 hrs *Leave Burford School*

1745 *Arrive at the Residence*

1855 *Leave the Residence*

1915 *Arrive Royal Opera House
Royal Box Entrance, Floral Street*

*Programme for the evening as for
His Excellency the Prime Minister*

FRIDAY, 23 NOVEMBER

- 0930 hrs Breakfast with Portuguese Press Representatives
Ambassador's Residence
- No official engagements for the remainder of the day
- 1950 Leave the Residence
- 2040 Arrive London Heathrow Airport
Hounslow Suite
- 2105 Board Flight TP 455 departing at 2125 hours for Lisbon
- The Special Representative of the Secretary of State for Foreign and Commonwealth Affairs, Sir David Muirhead, will bid farewell

DIRECTORY

- Government Hospitality*
2 Carlton Gardens, S.W.1 01-214 8142
- Foreign and Commonwealth Office*
Protocol Department 01-273 3582
Southern European Department 01-233 7764
- Portuguese Embassy*
11 Belgrave Square, S.W.1 01-235 5331
- Ambassador's Residence*
12 Belgrave Square, S.W.1 01-235 3688
- London Heathrow Airport*
Hounslow Suite 01-745 4337
- Sheraton Park Tower*
101 Knightsbridge, S.W.1 01-235 8050
- Tate Gallery*
Millbank, S.W.1 01-821 1313
- King's College*
Strand, W.C.2 01-836 5454
- The Portman Hotel*
Portman Square, W.1 01-486 5844
- Bank of England*
Threadneedle Street, E.C.2 01-601 4444
- British Invisible Exports Council*
14 Austin Friars, E.C.2 01-628 3161
- 10 Downing Street* 01-233 3000
and ask for 10 Downing Street
- 1 Carlton Gardens, S.W.1* 01-214 6352

Continued on next page

DIRECTORY (Contd.)

<i>Hospital for Sick Children</i> Great Ormond Street, W.C.1	01-405 9200
<i>National Theatre</i> South Bank, S.E. 1	01-928 2033
<i>H.M. Tower of London</i>	01-709 0765
<i>Mansion House</i>	01-626 2500
<i>Stock Exchange</i> Old Broad Street, E.C.2	01-588 2355
<i>Lloyd's of London</i> Lime Street, E.C.3	01-623 7100
<i>House of Commons</i>	01-219 3000
<i>Royal Opera House</i>	01-240 1200
<i>Blenheim Palace</i> Woodstock, Oxfordshire	0993 811325
<i>Bear Hotel and Restaurant</i> Park Street, Woodstock, Oxfordshire	0993 811511
<i>Burford School</i> Cheltenham Road, Burford, Oxfordshire	099 382 3304

C DP

Yes Please

Told
FCO

Dr. Jaeger's visit.

I understand he is coming on 20 November, which is a Tuesday.

Are you content for the briefing to arrive the previous Friday?

If so, I will tell FCO.

Susan.

12-6